

Appeal,Limbert,Protect

**U.S. District Court  
Northern District of Ohio (Akron)  
CRIMINAL DOCKET FOR CASE #: 5:03-cr-00387-JRA All Defendants**

Case title: United States of America v. Bartoli.  
Magistrate judge case number: 5:03-mj-05095-JSG

Date Filed: 10/15/2003  
Date Terminated: 12/20/2016

Assigned to: Judge John R. Adams

Appeals court case number: 16-4748 6th  
Circuit

**Defendant (1)**

**Eric V. Bartoli**  
**TERMINATED: 12/20/2016**

represented by **Eric V. Bartoli**  
#61329-060  
NEOCC  
2240 Hubbard Road  
Youngstown, OH 44505  
Email:  
PRO SE

**Barry M. Ward**  
Law Office of Barry M. Ward  
1000 National City Center  
One Cascade Plaza  
Akron, OH 44308  
330-535-1555  
Fax: 330-535-9113  
Email: [bward@teowardlaw.com](mailto:bward@teowardlaw.com)  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**  
**Designation: CJA Appointment**  
**Bar Status: Active**

**John D. Sammon**  
Ste. 178  
19885 Detroit Road  
Cleveland, OH 44116  
440-503-5225  
Email: [jack.sammon66@gmail.com](mailto:jack.sammon66@gmail.com)  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**  
**Designation: CJA Appointment**  
**Bar Status: Active**

**Pending Counts**

**Disposition**

Bar Status: Govt

**Thomas J. Gruscinski** AUSA  
 Former Assistant U.S. Attorney  
 Northern District of Ohio  
 Email: [ann.rowland@usdoj.gov](mailto:ann.rowland@usdoj.gov)  
**TERMINATED: 04/08/2004**  
 Bar Status: Retired

**Email All Attorneys****Email All Attorneys and Additional Recipients**

Date Filed	#	Docket Text
10/09/2003	<u>1</u>	Complaint as to Eric V. Bartoli (1) signed by Magistrate Judge James S. Gallas on 10/9/2003. (Attachments: # <u>1</u> Affidavit) (P, J)[5:03-mj-05095-JSG] (Entered: 10/10/2003)
10/15/2003	<u>2</u>	Indictment filed against Eric V. Bartoli (1) counts 1-10. (Attachments: # <u>1</u> Designation Form) (C, K A) (Entered: 10/16/2003)
10/15/2003	<u>3</u>	Random Assignment of Magistrate Judge Limbert. (C, K A) (Entered: 10/16/2003)
04/08/2004	<u>6</u>	Notice of Appearance and Substitution of Counsel; Attorney John M. Siegel appearing for USA in place of Attorney Thomas J. Gruscinski. (Siegel, John) Modified text on 4/9/2004 (L, T). (Entered: 04/08/2004)
05/13/2014	<u>7</u>	Notice of Appearance of Attorney Christos N. Georgalis appearing for USA. (Georgalis, Christos) (Entered: 05/13/2014)
10/26/2015	<u>8</u>	Notice of Substitution of Attorney. John M. Siegel AUSA removed from case, Antoinette T. Bacon appearing for USA.(Bacon, Antoinette) (Entered: 10/26/2015)
10/26/2015	<u>9</u>	Notice of Appearance of Attorney Miranda E. Dugi appearing for USA. as Co-counsel (Dugi, Miranda) (Entered: 10/26/2015)
10/26/2015	<u>10</u>	<b>IMPORTANT:</b> Notice as to Eric V. Bartoli (1). An Arraignment has been scheduled for 10/29/2015 at 1:30 PM in Courtroom 575 before Judge John R. Adams.(M,TL) (Entered: 10/26/2015)
10/29/2015		CJA 20 Appointment of Attorney Barry M. Ward for Eric V. Bartoli. Judge John R. Adams on 10/29/15. (K,C) (Entered: 10/29/2015)
10/29/2015		Arrest of Eric V. Bartoli (1) on 10/29/15. Defendant brought to the United States by FBI from Peru. Defendant released to custody of the U.S. Marshal. (K,C) (Entered: 10/29/2015)
10/29/2015		<b>Minutes of proceedings</b> [non-document] before Judge John R. Adams.Arraignment as to Eric V. Bartoli (1) held on 10/29/2015. AUSA Cristos Georgalis, AUSA Antoinette Bacon, Defense Counsel Barry Ward, and Pretrial Officer Don Stranathan present. Financial affidavit executed and counsel appointed. Not guilty plea as to Counts 1,2,3,4,5,6,7, and 8-10. Waiver of detention hearing executed. A Jury Trial is set for 1/4/2016 at 09:00 AM in Courtroom 575 before Judge John R. Adams. Pretrial Conference set for 12/22/2015 at 11:00 AM in Courtroom 575 before Judge John R. Adams. Defendant remanded into custody.

Case: 5:03-cr-00387-JRA Doc #: 44 Filed: 12/20/16 1 of 8. PageID #: 270

**UNITED STATES DISTRICT COURT**  
NORTHERN DISTRICT OF OHIO

UNITED STATES OF AMERICA

v.

**ERIC V. BARTOLI**

**JUDGMENT IN A CRIMINAL CASE**

§  
§  
§  
§ Case Number: **5:03-CR-00387-JRA(1)**  
§ USM Number: **61329-060**  
§ **Barry M. Ward**  
§ Defendant's Attorney

**THE DEFENDANT:**

<input checked="" type="checkbox"/>	pleaded guilty to count(s)	1, 2, 3, 4, 5, 8-10.
<input type="checkbox"/>	pleaded guilty to count(s) before a U.S. Magistrate Judge, which was accepted by the court.	
<input type="checkbox"/>	pleaded nolo contendere to count(s) which was accepted by the court	
<input type="checkbox"/>	was found guilty on count(s) after a plea of not guilty	

The defendant is adjudicated guilty of these offenses:

<u>Title &amp; Section / Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
18:371 Conspiracy	08/27/1999	1
15:78J(B) and 78Ff(A) Securities Fraud	08/27/1999	2
15:77E(A) and 77X Sale Of Unregistered Securities	08/27/1999	3
18:1343 and 2 Wire Fraud	08/27/1999	4
18:1341 and 2 Mail Fraud	08/27/1999	5

The defendant is sentenced as provided in pages 2 through 8 of this judgment. The sentence is imposed pursuant to the Sentencing Reform Act of 1984.

The defendant has been found not guilty on count(s)  
 Count(s) 6 and 7  is  are dismissed on the motion of the United States

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant must notify the court and United States attorney of material changes in economic circumstances.

October 9, 2016

Date of Imposition of Judgment

s/John R. Adams  
Signature of Judge

John R. Adams, U.S. District Judge

Name and Title of Judge

December 20, 2016

Date

Case: 5:03-cr-00387-JRA Doc #: 44 Filed: 12/20/16 2 of 8. PageID #: 271

AO 245B (Rev. 11/16) Judgment in a Criminal Case

Judgment -- Page 2 of 8

DEFENDANT: ERIC V. BARTOLI  
CASE NUMBER: 5:03-CR-00387-JRA(1)

### ADDITIONAL COUNTS OF CONVICTION

<u>Title &amp; Section / Nature of Offense</u>	<u>Offense Ended</u>	<u>Count</u>
26:7201 Attempted Income Tax Evasion	08/27/1999	8
26:7201 Attempted Income Tax Evasion	08/27/1999	9
26:7201 Attempted Income Tax Evasion	08/27/1999	10

Case: 5:03-cr-00387-JRA Doc #: 44 Filed: 12/20/16 3 of 8. PageID #: 272

AO 245B (Rev. 11/16) Judgment in a Criminal Case

Judgment -- Page 3 of 8

DEFENDANT: ERIC V. BARTOLI  
CASE NUMBER: 5:03-CR-00387-JRA(1)

## **IMPRISONMENT**

The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of:

60 months as to counts 1, 3, and 8-10; 240 months as to counts 2, 4, and 5 all to run concurrent with credit for time served.

The court makes the following recommendations to the Bureau of Prisons:

The defendant is remanded to the custody of the United States Marshal.  
 The defendant shall surrender to the United States Marshal for this district:

at                            a.m.            p.m.       on

as notified by the United States Marshal.

The defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

before 2 p.m. on  
 as notified by the United States Marshal.  
 as notified by the Probation or Pretrial Services Office.

## **RETURN**

I have executed this judgment as follows:

Defendant delivered on \_\_\_\_\_ to

at \_\_\_\_\_, with a certified copy of this judgment.

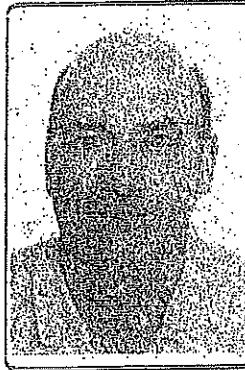
UNITED STATES MARSHAL

By  
DEPUTY UNITED STATES MARSHAL

Consolidado de Datos

Page 1 of 1

**RENIEC CONSULTAS EN LÍNEA****Datos del Ciudadano**

Aumentar   Normal	
Aumentar   Normal	
Código Único de Identificación:	43415446 - 0 (D Caraç. Verif. Ant.)
Primer Apellido:	BARTOLI
Segundo Apellido:	ORLANDINI
Prenombres:	ERIC
Sexo:	Masculino
Fecha de Nacimiento:	18-10-1954
Departamento de Nacimiento:	MICHIGAN
Provincia de Nacimiento:	
Distrito de Nacimiento:	
Grado de Instrucción:	SECUNDARIA COMPLETA
Estado Civil:	CASADO
Estatura:	1.86 m.
Fecha de Inscripción:	16-02-2004
Nombre del Padre:	EDWARD
Nombre de la Madre:	CATHERINE
Fecha de nacim.	19-02-2004
Religión:	NINGUNA
Domicilio:	AV. VIA LACTEA 311 URB. LOS GRANADOS .
Departamento de Domicilio:	LIMA
Provincia de Domicilio:	LIMA
Distrito de Domicilio:	SANTIAGO DE SURCO
Villas Electorales:	
Consulta sólo para uso interno de :	OF. REGIONAL DE SEGURIDAD DE LA EMBAJADA DE LOS EEUU DE AMERICA
User:	EUSÁ07 - 17/11/2009 16:50:47
Hoja informativa emitida para esta consulta en línea, que tiene validez para el trámite administrativo, judicial u otro.	

Imprimir

Regresar Menu Salir

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<https://cel.reniec.gob.pe/cel/servlet/cel.servlet.SrConsolidado>

11/17/2009

10/18/16  
Inte

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA, ) CASE NO.: 5:03-CR-387  
Plaintiff, )  
v. ) JUDGE JOHN R. ADAMS  
ERIC V. BARTOLI, )  
Defendant. ) PLEA AGREEMENT

Pursuant to Rules 11(c)(1)(A) and (B) of the Federal Rules of Criminal Procedure, and in consideration of the mutual promises set forth below, the United States Attorney's Office for the Northern District of Ohio (hereinafter "USAO"), by and through its undersigned attorneys, and the defendant, ERIC V. BARTOLI (hereinafter "Defendant"), agree as follows:

**MAXIMUM PENALTIES AND OTHER  
CONSEQUENCES OF PLEADING GUILTY**

1. **Waiver of Constitutional Trial Rights.** Defendant understands that Defendant has the right to plead not guilty and go to trial. At trial, Defendant would be presumed innocent, have the right to trial by jury or, with the consent of the United States, to trial by the Court, the right to the assistance of counsel, the right to confront and cross-examine adverse witnesses and subpoena witnesses to testify for the defense, the right to testify and present evidence, and the

*Defendant's Initials* \_\_\_\_\_

## Plea Agreement of Eric Bartoli – page 2 of 28

right to be protected from compelled self-incrimination. Defendant understands that Defendant has the right to an attorney at every stage of the proceedings and, if necessary, one will be appointed to represent Defendant. Defendant understands that by pleading guilty, Defendant specifically and voluntarily waives each of these trial rights, except the right to counsel. Defendant understands that a guilty plea is a complete admission of guilt and if the Court accepts the guilty plea, the Court will find Defendant guilty without a trial.

2. **Statutory Penalties.** Defendant understands that the statutory maximum penalties, and minimum penalties if applicable, for the counts to which Defendant agrees to plead guilty are as follows:

<b>Counts</b>	<b>Statute and Description of Offense</b>	<b>Statutory Sentence Per Count</b>
1	Title 18 U.S.C. § 371; Conspiracy to Commit an Offense	Maximum imprisonment: 5 years Maximum Statutory fine: \$250,000 Maximum Alternative fine: twice the gross pecuniary gain or the gross pecuniary loss. Maximum period of supervised release: 3 years Special assessment: \$100
2	Title 15 U.S.C. §§ 78j(b), 78ff(a); 17 C.F.R. § 240.10b-5; Securities Fraud	Maximum imprisonment: 20 years Maximum Statutory fine: \$5,000,000 Maximum period of supervised release: 3 years Special assessment: \$100
3	Title 15 U.S.C. §§ 77e(a), 77x: Sale of Unregistered Securities	Maximum imprisonment: 5 years Maximum Statutory fine: \$10,000 Maximum period of supervised release: 3 years Special assessment: \$100
4	Title 18 U.S.C. § 1343: Wire Fraud	Maximum imprisonment: 20 years Maximum Statutory fine: \$250,000 Maximum Alternative fine: twice the gross pecuniary gain or the gross pecuniary loss. Maximum period of supervised release: 3 years Special assessment: \$100

## Plea Agreement of Eric Bartoli – page 3 of 28

5	Title 18 U.S.C. § 1341: Mail Fraud	Maximum imprisonment: 20 years Maximum Statutory fine: \$250,000 Maximum Alternative fine: twice the gross pecuniary gain or the gross pecuniary loss. Maximum period of supervised release: 3 years Special assessment: \$100
8-10	Title 26 U.S.C. § 7201: Attempted Income Tax Evasion	Maximum imprisonment: 5 years Maximum Statutory fine: \$100,000 Maximum period of supervised release: 3 years Special assessment: \$100

3. **Special Assessment.** As set forth above, Defendant will be required to pay a mandatory special assessment of \$100 for each count of conviction, for a total of \$800, due immediately upon sentencing.

4. **Costs.** The Court may order Defendant to pay the costs of prosecution and sentence, including but not limited to imprisonment, community confinement, home detention, probation, and supervised release.

5. **Restitution.** The Court may order Defendant to pay restitution as a condition of the sentence, probation, and/or supervised release.

6. **Violation of Probation/Supervised Release.** If Defendant violates any term or condition of probation or supervised release, such violation could result in a period of incarceration or other additional penalty as imposed by the Court. In some circumstances, the combined term of imprisonment under the initial sentence and additional period of incarceration could exceed the maximum statutory term.

7. **Immigration Consequences.** Defendant understands that a convicted person who is not a United States citizen may be removed from the United States, denied citizenship and denied admission to the United States in the future. Defendant recognizes that pleading

*Defendant's Initials* \_\_\_\_\_

which is sufficient, but not greater than necessary, to comply with the purposes of 18 U.S.C. § 3553(a), and that the Court must consider among other factors the advisory United States Sentencing Guidelines in effect at the time of sentencing and that in determining the sentence, the Court may depart or vary from the advisory guideline range.

**12. Presentence Report.** Defendant understands that the advisory guideline range will be determined by the Court at the time of sentencing, after a presentence report has been prepared by the U.S. Probation Office and reviewed by the parties. Defendant further understands that the USAO may provide to the U.S. Probation Office all known information regarding Defendant's conduct subject to its limited use under U.S.S.G. § 1B1.8 and except as protected under the proffer agreement if any.

**13. Joint Recommendation to Use the Advisory Sentencing Guidelines**

**Computation.** After considering the factors in 18 U.S.C. § 3553(a), the parties agree to recommend that the Court impose a sentence within the range and of the kind specified pursuant to the advisory Sentencing Guidelines in accordance with the computations and stipulations set forth below. Other than requesting the one-level variance as provided in paragraph 16, neither party will recommend or suggest in any way that a departure or variance is appropriate, either regarding the sentencing range or regarding the kind of sentence.

**14. Sentencing Recommendations Not Binding on the Court.** Defendant understands that the recommendations of the parties will not be binding upon the Court, that the Court alone will decide the advisory guideline range under the Sentencing Guidelines, whether there is any basis to depart from that range or impose a sentence outside the advisory guideline range, and what sentence to impose. Defendant further understands that once the Court has accepted Defendant's guilty plea, Defendant will not have the right to withdraw such a plea if the

*Defendant's Initials* \_\_\_\_\_

§ 78ff. Penalties

**(a) Willful violations; false and misleading statements.** Any person who willfully violates any provision of this title [15 USCS §§ 78a et seq.] (other than section 30A [15 USCS § 78dd-1]), or any rule or regulation thereunder the violation of which is made unlawful or the observance of which is required under the terms of this title [15 USCS §§ 78a et seq.], or any person who willfully and knowingly makes, or causes to be made, any statement in any application, report, or document required to be filed under this title [15 USCS §§ 78a et seq.] or any rule or regulation thereunder or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title [15 USCS § 78o(d)], or by any self-regulatory organization in connection with an application for membership or participation therein or to become associated with a member thereof, which statement was false or misleading with respect to any material fact, shall upon conviction be fined not more than \$5,000,000, or imprisoned not more than 20 years, or both, except that when such person is a person other than a natural person, a fine not exceeding \$25,000,000 may be imposed; but no person shall be subject to imprisonment under this section for the violation of any rule or regulation if he proves that he had no knowledge of such rule or regulation.

**(b) Failure to file information, documents, or reports.** Any issuer which fails to file information, documents, or reports required to be filed under subsection (d) of section 15 of this title [15 USCS § 78o(d)] or any rule or regulation thereunder shall forfeit to the United States the sum of \$100 for each and every day such failure to file shall continue. Such forfeiture, which shall be in lieu of any criminal penalty for such failure to file which might be deemed to arise under subsection (a) of this section, shall be payable to the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States.

**(c) Violations by issuers, officers, directors, stockholders, employees, or agents of issuers.**

(1) (A) Any issuer that violates subsection (a) or (g) of section 30A [15 USCS § 78dd-1] shall be fined not more than \$2,000,000.

(B) Any issuer that violates subsection (a) or (g) of section 30A [15 USCS § 78dd-1] shall be subject to a civil penalty of not more than \$10,000 imposed in an action brought by the Commission.

(2) (A) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who willfully violates subsection (a) or (g) of section 30A of this title [15 USCS § 78dd-1] shall be fined not more than \$100,000, or imprisoned not more than 5 years, or both.

(B) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates subsection (a) or (g) of section 30A of this title [15 USCS § 78dd-1] shall be subject to a civil penalty of not more than \$10,000 imposed in an action

brought by the Commission.

(3) Whenever a fine is imposed under paragraph (2) upon any officer, director, employee, agent, or stockholder of an issuer, such fine may not be paid, directly or indirectly, by such issuer.

(June 6, 1934, ch 404, Title I, § 32, 48 Stat. 904; May 27, 1936, ch 462, § 9, 49 Stat. 1380; June 25, 1938, ch 677, § 4, 52 Stat. 1076; Aug. 20, 1964, P. L. 88-467, § 11, 78 Stat. 580; June 4, 1975, P. L. 94-29, § 23, 27(b), 89 Stat. 162, 163; Dec. 19, 1977, P. L. 95-213, Title I, § 103(b), 91 Stat. 1496; Aug. 10, 1984, P. L. 98-376, § 3, 98 Stat. 1265; Aug. 23, 1988, P. L. 100-418, Title V, Subtitle A, Part I, § 5003(b), 102 Stat. 1419; Nov. 19, 1988, P. L. 100-704, § 4, 102 Stat. 4680; Nov. 10, 1998, P. L. 105-366, § 2(d), 112 Stat. 3303; July 30, 2002, P. L. 107-204, Title XI, § 1106, 116 Stat. 810.)

## **HISTORY: ANCILLARY LAWS AND DIRECTIVES**

**Effective date of section:**

This section became effective July 1, 1934, as provided by § 34 of Act June 6, 1934, ch 404, which appears as 15 USCS § 78hh.

**Amendments:**

**1936.** Act May 27, 1936 (effective 5/27/36, as provided by § 12 of such Act, which appears as 15 USCS § 78hh-1), designated existing matter as subsec. (a), and in subsec. (a), as redesignated, inserted "or any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title "; and added subsec. (b).

1938. Act June 25, 1938, added subsec. (c).

1964. Act Aug. 20, 1964 (effective 8/20/64, as provided by § 13(3) of such Act, which appears as 15 USCS § 78c note), in subsec. (b), substituted "required to be filed under" for "pursuant to an undertaking contained in a registration statement as provided in", and inserted "or any rule or regulation thereunder".

1975. Act June 4, 1975 (effective 6/4/75, as provided by § 31(a) of such Act, which appears as 15 USCS § 78b note), in subsec. (a), inserted "or by any self-regulatory organization in connection with an application for membership or participation therein or to become associated with a member thereof,", and substituted "five" for "two"; and deleted subsec. (c) which read: "The provisions of this section shall not apply in the case of any violation of any rule or regulation prescribed pursuant to paragraph (3) of subsection (c) of section 15 of this title, except a violation which consists of making, or causing to be made, any statement in any report or document required to be filed under any such rule or regulation, which statement was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact.".

**1977.** Act Dec. 19, 1977, in subsec. (a), inserted "(other than section 30A)"; and added subsec. (c).

1984. Act Aug. 10, 1984 (effective 8/10/84, as provided by § 7 of such Act), in subsec. (a), substituted "\$100,000" for "\$10,000".

1988. Act Aug. 23, 1988 (applicable as provided by § 9 of such Act, which appears as 15 USCS § 78o note), substituted subsec. (c) for one which read:

"(c)(1) Any issuer which violates section 30A(a) of this title shall, upon conviction, be fined not more than \$1,000,000.

"(2) Any officer or director of an issuer, or any stockholder acting on behalf of such issuer, who willfully violates section 30A(a) of this title shall, upon conviction, be fined not more than \$10,000, or imprisoned not more than five years, or both.

"(3) Whenever an issuer is found to have violated section 30A(a) of this title, any employee or agent of such issuer who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder of such issuer), and who willfully carried out the act or practice constituting such violation shall, upon conviction, be fined not more than \$10,000, or imprisoned not more than five years, or both.

"(4) Whenever a fine is imposed under paragraph (2) or (3) of this subsection upon any officer, director, stockholder, employee, or agent of an issuer, such fine shall not be paid, directly or indirectly, by such issuer.".

Act Nov. 19, 1988 (applicable as provided by § 9 of such Act, which appears as 15 USCS § 780 note), in subsec. (a), substituted "\$1,000,000" for "\$100,000", "10 years" for "five years", "is a person other than a natural person" for "is an exchange" and "\$2,500,000" for "\$500,000".

**1998.** Act Nov. 10, 1998, in subsec. (c), in para. (1), in subparagraphs. (A) and (B), substituted "subsection (a) or (g) of section 30A" for "section 30A(a)", and substituted para. (2) for one which read:

"(2)(A) Any officer or director of an issuer, or stockholder acting on behalf of such issuer, who willfully violates section 30A(a) shall be fined not more than \$100,000, or imprisoned not more than 5 years, or both.

"(B) Any employee or agent of an issuer who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such issuer), and who willfully violates section 30A(a), shall be fined not more than \$100,000, or imprisoned not more than 5 years, or both.

"(C) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates section 30A(a) shall be subject to a civil penalty of not more than \$10,000 imposed in an action brought by the Commission.".

**2002.** Act July 30, 2002, in subsec. (a), substituted "\$5,000,000, or imprisoned not more than 20 years" for "\$1,000,000, or imprisoned not more than 10 years", and substituted "\$25,000,000" for "\$2,500,000".

§ 78j. Manipulative and deceptive devices

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange--

(a)

(1) To effect a short sale, or to use or employ any stop-loss order in connection with the purchase or sale, of any security other than a government security, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

(2) Paragraph (1) of this subsection shall not apply to security futures products.

(b) To use or employ, in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, or any securities-based swap agreement[,] any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of investors.

**Accounting and Financial Planners**

A Division of the Binge Business Organization

4150 Belden Village Ave. N.W.  
Suite #109  
Canton, Ohio 44718-2539

Telephone (330) 492-1099  
Toll Free 1-800-660-5087  
FAX (330) 492-1087

Board of Directors  
Cyprus Fund, Inc.  
Marshallville, Ohio 44645

We have completed the audit of the accompanying Balance Sheet, Statement of Operations and Statement of Retained Earnings for Cyprus Fund, Inc. for the six months ended June 30, 1998 and find the results to present fairly the financial position of Cyprus Fund, Inc. for the period then ended.

Management has elected to omit the financial information and operating results of the Chilean, Peruvian and Ecuadorian Investment Houses except when that information pertains to the operating results of Cyprus Fund, Inc.

The management of Cyprus Fund, Inc. wishes to express that the "Fund" is not financially related to B&S Farms and has no direct involvement with the proposed IPO of B&S Farms scheduled for early 1999.

Accounting and Financial Planners  
T.A. Bentivegna

**CYPRUS FUNDS, INC.**  
**Marshallville, Ohio**

**FINANCIAL STATEMENT**  
**Six Month Ended June 30, 1998**

**ACCOUNTING AND FINANCIAL PLANNERS**  
**4150 Belden Village Ave.**  
**Suite 109**  
**Canton, Ohio**

BALANCE SHEET  
 CYPRUS FUNDS, INC.  
 June 30, 1998

## ASSETS

## CURRENT ASSETS

Cash - U.S.A. Depository	\$ 5,177,280.
Cash - Foreign Depository	1,702,313.
Marketable Securities	26,000,616.
Short Term Bonds	7,005,556.
Accounts Receivable	312,455.

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TOTAL CURRENT ASSETS	\$ 40,198,220.
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FIXED ASSETS - AT COST

Equipment	\$ 101,726.
Accumulated depreciation	21,832.
	79,894.

OTHER ASSETS

Long Term Bonds	\$ 48,122,989.
Secured Loans Receivable	6,144,765.
Prepaid Expenses	<u>111,866.</u>

54,379,620.

TOTAL ASSETS	<u>\$ 94,657,734.</u>
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LIABILITIES AND EQUITY

CURRENT LIABILITIES

Customer deposit accounts	\$ 92,111,177.
Accrued federal (U.S.A.) income tax	9,987.

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TOTAL CURRENT LIABILITIES	\$ 92,121,164.
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CAPITAL

Common stock - 100 shares issued and outstanding at par value of \$5,000. per share.	\$ 500,000.
Retained earnings	2,036,570. <u>2,536,570.</u>

TOTAL LIABILITIES AND EQUITY	\$ 94,657,734.
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STATEMENT OF OPERATIONS  
CYPRUS FUNDS, INC.

## INCOME

Realized gains	\$ 1,425,549.
Unrealized gains	226,865.
Earned interest	24,288.
Dividends received	41,535.
Other income	11,012.
 <b>TOTAL INCOME</b>	 <b>\$ 1,729,249.</b>

## **OPERATING EXPENSES**

Depreciation expense	\$ 7,266.
Directors fees	120,000.
Fund Advisory fees	180,000.
Legal fees	16,566.
Accounting fees	88,766.
Selling, general and administrative expenses	48,996.
	461,594

NET INCOME BEFORE TAXES	\$ 1,267,655.
Federal (U.S.A.) income taxes	<u>18,987.</u>
NET INCOME	\$ 1,248,668.

STATEMENT OF RETAINED EARNINGS  
CYPRUS FUNDS, INC.  
For The Six Months Ended June 30, 1998

BALANCE DECEMBER 31, 1998	\$ 787,902.
ADD: Net income for the period	<u>1,248,668.</u>
BALANCE JUNE 30, 1998	<u><u>\$ 2,036,570.</u></u>

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2003 OCT 15 PM 2:38

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff, ) **JUDGE ADAMS**  
v. ) JUDGE  
ERIC V. BARTOLI, ) I N D I C T M E N T  
Defendant. ) Violations: Title 15,  
 ) United States Code, Sections  
 ) 77e(a), 77x, 78j(b),  
 ) 78ff(a); Title 18, United  
 ) States Code, Sections 2,  
 ) 371, 1341, 1343,  
 ) 1956(a)(1)(B)(i), 1957;  
 ) Title 26, United States  
 ) Code, Section 7201; Title  
 ) 17, Code of Federal  
 ) Regulations, Section  
 ) 240.10b-5.

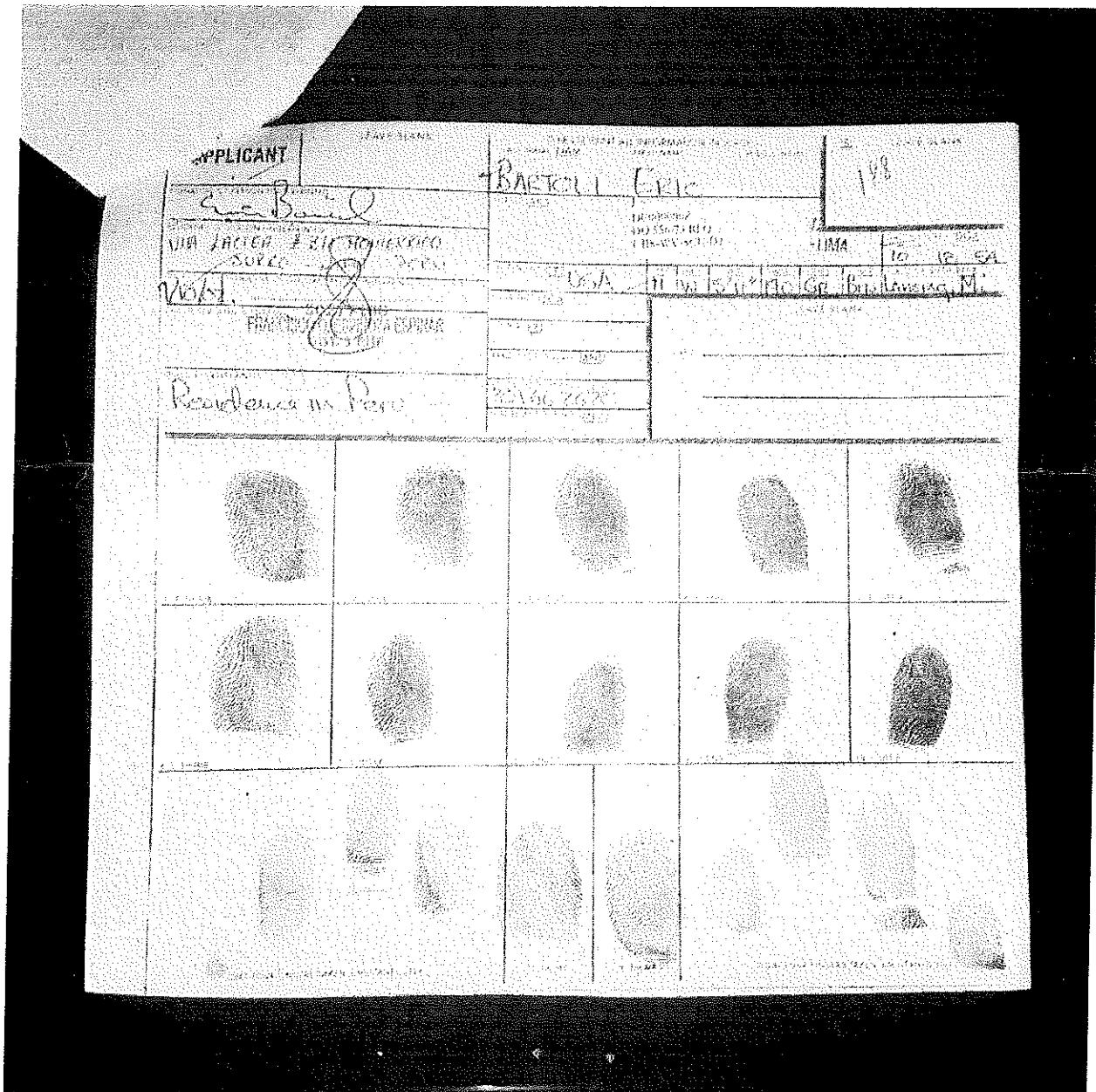
The Grand Jury charges:

COUNT 1

(Conspiracy)

From in or about 1995, and continuing through on or about  
August 27, 1999, in the Northern District of Ohio and elsewhere,  
the defendant, ERIC V. BARTOLI, together with other persons known

<p style="margin: 0;">14507 Rev. 10-1-71</p> <p style="margin: 0;">FEDERAL BUREAU OF INVESTIGATION</p> <p style="margin: 0;">Criminal Justice Information Services Division</p> <p style="margin: 0;">CLARKSBURG, W. Va. 26306</p>	<p style="margin: 0;">Q 1-122</p> <p style="margin: 0;">LIMA</p> <p style="margin: 0;">FBI CLARKSBURG</p>	<p style="margin: 0;">S 110 100 000 000 000 000</p> <p style="margin: 0;">LIMA</p>	<p style="margin: 0;">LIMA</p> <p style="margin: 0;">FBI CLARKSBURG</p>	<p style="margin: 0;">LIMA</p> <p style="margin: 0;">FBI CLARKSBURG</p>	<p style="margin: 0;">LIMA</p> <p style="margin: 0;">FBI CLARKSBURG</p>
<p>Please note the stamp on the back of the enclosed fingerprint card indicating the results of the search of the FBI Criminal Justice Information Services Division's files.</p>					
<p>Enclosure(s)</p>					
<p>Identification and Investigative Services Section</p>					
<p>FBI/DOJ</p>					



Appendix Q-2

